that the transactions of the *melabhom* merchant considerably suffered. The Member prayed that Rule 41 might also be deleted.

The Member also requested,—

(1) that the landing ghat near the Tobacco Bankshall at Quilon which was in a ruined and neglected condition might be improved and made useful ; and

(2) that godowns be erected at the Quilon Sea Customs and the Railway Chowkey at Quilon for storing tobacco.

Dewan's reply.—Noted.

21. Suggestions for the development of Commerce.

Mr. M. L. Janardhana Pillai (Member, Trading Classes, Alleppey) said that the total volume of *external* trade in 1091 was B. Rs. 7,27,78,754, which was decidedly an increase against the figure for 1090. The value of the exports was 59·4 per cent of the total trade and that of imports was 40·6 per cent, as against 58·8 per cent and 41·2 per cent respectively in 1090. It would thus be seen that the value of trade was not a negligible figure and that it deserved the careful and sympathetic attention of Government and the leaders of people, especially the means and methods whereby trade could be still better improved. The Member then gave the figures for export under each article and observed that a country could be said to be prosperous and wealthy only when its products fetched the highest price possible and when the cash value of such products remained in the country as far as possible. He then quoted Great Britain and America as examples to illustrate his point. The state of affairs in Travancore was different. Here, unfortunately, almost 90 per cent of the exports were raw products and they were being used for the manufacturing industries of other countries, while the imports were almost wholly articles manufactured in other countries. Under those circumstances, it was necessary to scrutinize (1) whether the exports had reached the *maximum quantity* the country was capable of producing ; (2) whether the maximum price available for each of the products was being realised; and (3) whether the profits resulting from trade were left in the country for the benefit of the people. He then examined the list of export tariff, of which 10 articles were the products of the cocoanut tree, and urged that the commerce of the country could be developed only if the cocoanut tree yielded the maximum quantity that it was capable of producing. He, therefore, recommended the organization of a Special Department dealing with the commercial aspect of that question or the Director of Agriculture and Fisheries being asked to work out practical schemes on commercial lines with particular reference to the produce of the cocoanut tree. In his opinion, there seemed to be a serious economic fallacy when Government said that the balance of trade was in favour of the State, and he came to the conclusion that the exports had not reached the maximum quantity. He then turned his attention to consider whether the actual producer—the son of the soil—was able to realize the best value for all his produce. In dealing with that part of his subject, the Member referred to the various difficulties which stood in the way of the producer's direct connection with the market and which made him a triple loser, as, in the course of the sale of his produce, three brokers had their own gain. He then explained how the profits from trade were going outside the country without benefiting the people in any way. The Member also mentioned the following as the causes why the export trade was not sufficiently developed :—

(1) Absence of definite and correct information on all points pertaining to the export trade ;

(2) Want of Scientific and Commercial training ;

(3) Complete absence of financial facilities ; and

(4) Absence of systematic sympathy on the part of the Government to improve the commerce of the country.

To remedy the evils, the Member suggested that Government should open a Commercial Intelligence Department and appoint a thoroughly sympathetic and capable Indian Official in charge of it, with a small Advisory Board, consisting

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entirely of Indian merchants and industrialists. After defining the work the Board should carry out, the Member said that it should organize a number of Commercial Societies intended for the promotion of commercial knowledge among the people. He then spoke about the absence of shipping facilities which hampered the trade of the Indian exporter and explained the difficulties thrown in his way by the European Shipping Agencies and Merchants.

The next suggestion of the Member was the opening of a Central Commercial Institute in which such subjects as Commercial Arithmetic, Commercial and International Law, Commercial Geography, Book-keeping, Foreign Languages, Commercial Morality, Correspondence, distribution and locale of commercial products, Political Economy, Banking methods, Short-hand and Account-keeping should be taught. There should be similar smaller institutions in several parts of the State. Government might even include Commercial subjects in the general curriculum of studies in schools. He then complained that the Public Lecture Committee did not include Commercial subjects in their courses of public lectures and observed that, during the period 1913-17, out of a total number of nearly 90 lectures delivered, there were only 10 lectures on industries and two on commerce. The next important point dealt with was the absence of financial facilities for the Indian trader. Apart from the capital which each trader might invest, there were only two other sources from which the Indian trader could obtain financial assistance. The one was the Bank (like the Bank of Madras in Alleppey) and the other was the Hundi merchant. No doubt, the Bank's rate of interest was invariably only between 7 and 10%, but the average Indian trader found it very difficult to obtain financial help from the Bank. In the first place, only business men having dealings in very large amounts were taken in as the *clientele* of the Bank. Transactions of a small nature were very often not accepted at the Bank and even where transactions of heavy amounts were concerned, the Bank made distinctions between the European and the Indian merchant. In short, the interests of the Bank were very often considered to be identical with those of the European merchants, whereas where an Indian merchant was concerned, there were greater limitations and absolutely no concessions. The case of the retailer was worse. If a careful enquiry was made, it would be found that, barring the produce dealers, very few merchants had any dealings with the Bank, because the Bank seldom cared to accept their business. It should be remembered that the retail merchants were handling a good proportion of the country's trade which provided the people with the necessaries of life and yet those people had no means of obtaining any assistance whatsoever from the Bank. They had to depend solely on the good-will of the *Hundi* merchant whose rate of interest was exhorbitant, if not ruinous. The people of Travancore, the Member proceeded, ought to be thankful to Government for appointing a Special Officer to institute enquiries into the industrial possibilities of the country. But it had to be borne in mind that the industrial advancement of the country would bring in wealth only after some time and not immediately, whereas the commerce of the country was one that was running on, and, if facilities were provided for its immediate development, it would be possible to conserve the wealth of the country and to improve the general condition of the people from the present moment. He, therefore, suggested that Government should depute an Indian Officer of tried ability and great sympathy to enquire into that specific question, with the assistance of a few Indian merchants, and he was sure that a most unhappy state of affairs would be revealed. A Commercial Survey should be begun immediately and it ought to be done by an Indian official of tried experience, with the assistance of merchants.

The remedy suggested was the opening of a State Bank, just as was done in Mysore, Baroda and other places. There could be no doubt that the Bank would be a very paying concern, provided it was conducted on the best banking principles. In dealing elaborately with that part of his subject, the Member contended that, if, as explained by him, British trade was found to require a "Trade Bank", he did not think any arguments were necessary to convince Government about the supreme necessity of starting a State Bank for Travancore.

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The next point dealt with by the Member was that merchants in Travancore often experienced very great difficulty in the execution of foreign decrees. At present, decrees of courts in Travancore were non-enforceable in British India and in other Native States, whereas all foreign decrees were, without exception, being allowed to be executed in Travancore. That was a real hardship. He, therefore, prayed that Government should declare that, in executing all *ex-parte* foreign decrees against residents in Travancore, a fresh suit should be instituted in Travancore. The important line of commercial activity was the trade with Cochin and other places in backwater-borne traffic. Frequently, boatmen and others entrusted with the transport work made away with a large portion of the cargo shipped, but as the offences were non-cognizable, the Police were not in a position to deal with them. It was, therefore, suggested that necessary alterations might be made in the Penal Code, to make breach of trust a cognizable offence.

The merchants were thankful to Government for continuing the Commercial Canal improvement work, in spite of the financial strain experienced at present. But in one direction, the improvements to the canal were more a source of hindrance than of convenience. Formerly, the canal slopes were low and boats could be brought quite near the banks and consequently goods could be loaded and unloaded very easily; but now that convenience was not available. At the same time, the number of landing ghats provided was quite insufficient. Speaking from personal experience of the conditions of commerce, he submitted that the landing ghats provided in the 3rd section were wholly inadequate. He quite realised that Government could not afford to spend all the money necessary for providing additional landing ghats, wherever people required them. Therefore, the wisest step would be to allow merchants to build their own private landing ghats. The arrangement was that, whenever additional landing ghats were required, the D. P. W. provided the applicants with an estimate and it was compulsory that the estimated cost should be deposited with the D. P. W. authorities, who also carried out the work. He could understand why new landing ghauts should be constructed in accordance with the plan of the D. P. W. but he failed to see why the department should insist on themselves doing the work. He, therefore, prayed that Government might issue orders to the effect that, whenever additional landing ghats were required, they should be built in accordance with the plan and estimate of the D. P. W. but that the work might be done by the merchants themselves.

The Member then submitted that great difficulties were being experienced by the people owing to the absence of a bridge at Chungam connecting the northern and southern banks of the canal and prayed that at least a foot-bridge might be constructed there without delay. Another local need was that articles imported into the State at the Alleppey port should be allowed to be stored free of rent in the Government godowns for 8 days as formerly. The free use of the godowns was now allowed only for 24 hours and, after that period, double rent was charged. The result was that all paddy was now being imported *via* Cochin.

[The Dewan, on consulting the Acting Excise Commissioner, found the grievance to be a real one and promised to look into the matter.]

The Member then proceeded to lay before Government the hardships the Trivandrum merchants were undergoing on account of the large commission charged by the Madura Company in landing and delivering goods to consignees from steamers arriving at the Trivandrum port, more especially paddy and rice. The high rate of commission realized by the Company was an indirect charge on the people who were purchasing the articles. He, therefore, requested that the Government should institute a careful inquiry into the matter.

The Member next stated that dutiable goods intended for export were not allowed to be stored for long periods in the customs godowns at Alleppey, whereas even non-dutiable imports were safely stored for any length of time in the godowns. He prayed that Government might be pleased to pass orders that all dutiable articles might be stored inside the godowns for any length of time on payment of the usual fees.

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There have been, the Member continued, frequent complaints about cargo boats often experiencing very great difficulty in the Commercial Canal, owing to dearth of water, especially in the 3rd and further sections of the Canal and he suggested the Canal being deepened every summer.

Finally, he doubted the utility of a European Port Officer for Alleppey and observed that, however clever and sympathetic he might be, it was not likely that he would be able to understand local needs clearly, especially because there were both European and Indian merchants doing the same line of business. He, therefore, suggested the creation of a Port Trust, to be composed of Indian and European merchants, to advise the Port Officer.

In conclusion, the Member summarised his suggestions for the development of Commerce thus :—

(1) The creation of a Commercial Intelligence Department with an Advisory Board.

(2) The necessity of instituting a survey of the commercial conditions in Travancore, and placing the work in the hands of a sympathetic Indian official and one or two merchants.

(3) The establishment of Commercial Associations and Advisory Boards in every taluk and leaving the working of such bodies entirely in the hands of non-officials.

(4) The opening of a State Bank and the grant of further financial facilities for trade.

(5) Institution of lectures in every Village, on Commercial subjects, by men who are experienced in Commerce.

(6) Suggesting remedies for overcoming the Indian merchant's difficulties in the matter of shipping and landing.

(7) Making Foreign Court *ex parte* decrees non-enforceable in Travancore.

(8) Opening Schools of Commerce in every taluk of the State, and, if possible, including Commercial subjects in the curriculum of studies in schools.

(9) Sanctioning the construction of additional landing ghats in the Alleppey Commercial Canal at Government expense or allowing people themselves to build as per Government estimates.

(10) Constructing a bridge at Chungam in view of the large volume of commerce in that part of the town of Alleppey, which is the most important commercial centre in Travancore.

(11) Sanctioning the storage of paddy in the Sircar godowns at Alleppey free of rent for 8 days as previously.

(12) Making breach of trust cases cognisable by the Police.

(13) The formation of a body called the Port Trust to advise the Port Officer.

(14) Storing dutiable articles in customs godowns without limiting period.

(15) Deepening the Commercial Canal during the summer months.

Dewan's reply.—The suggestions of the Member are noted for consideration.

22. Seaports in Travancore.

Mr. S. Subramonia Pillai (Member, Trading Classes, Nagercoil) said that the poor economic condition of the people was due to the lack of commercial enterprise among them, that it was the duty of the Government to afford facilities for trade and that it was gratifying that the Government had opened many convenient roads to facilitate trade by land. As regards sea-borne trade, the people could count upon five ports, namely, Alleppey, Quilon, Trivandrum, Colachel and Srimulapuram.

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